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WORLD COFFEE SITUATION

Summary and Outlook

The third USDA world coffee crop estimate for 1982/83 is 82.5 million bags,^{1/} of which an estimated 61.1 million would be available for export. The increase of 700,000 bags over the second USDA estimate for the year is due mainly to upward revisions in production estimates for Uganda, Honduras, Ecuador, Angola, Cameroon and Philippines, which more than offset downward adjustments for Burundi, Ivory Coast, Kenya, India and Indonesia. The past years coffee prices, rust and political instability were not as debilitating as growers, coffee associations and governments at first supposed.

Few new trees have been planted in the majority of coffee producing countries since 1980. Much of the increase in output is now coming from improved tree varieties planted during the late 1970's as a result of high coffee prices following a severe Brazilian coffee frost in 1975. Increased output from these trees appears to have occurred as the trees have become more productive in spite of the lower level of management, mainly less fertilization.

^{1/} Unless indicated otherwise, production and trade figures are given in terms of 60 kilogram (132.28 lbs.) bags. Area is given in hectares (2.471 acres). GBE means green bean equivalent.

Because of a frost in July 1981, Brazil's 1982/83 coffee crop was only 17.75 million bags, compared to 33.0 million the preceding year.

While domestic consumption in producing countries is expected to decline slightly (about 200,000 bags), exports should grow by about 1 million bags, mainly as a result of an increase in consumer country stocks due to lower interest rates. The decline in U.S. consumption, which has been occurring at the rate of about 1 percent per year, may have been halted if indications of a stepup in roasting activity are correct. In Europe, where retail prices are controlled by governments or by competition between companies, any increase in buying will be limited by the higher prices compounded by the strength of the U.S. dollar. Under the terms of the International Coffee Agreements (ICA), green coffee prices are always measured in terms of U.S. dollars.

SUPPLY AND DISTRIBUTION

Types of Coffee

There are two major types of coffee produced in the world. Robustas, grown mainly in the tropical lowlands of Africa and Indonesia, are used primarily in instant blends, while Arabicas, from the highlands of Latin America, East Africa and Papua New Guinea, are used largely in ground roast blends. In 1982/83 about 58.6 million bags or 71.2 percent of world output will be Arabica, down from 75.1 million or 76.9 percent of the 1981/82 crop.

Arabicas are also divided into two types, washed and unwashed. Brazilian Arabica is almost entirely of the unwashed variety. Washed Arabica's are deliverable against contracts on the New York Coffee Sugar and Cocoa Exchange's Coffee "C" futures contract. The types may be substituted so that the price of unwashed Arabica's will affect the price of those which are washed.

World Coffee Consumption

Coffee consumption in the world has recovered slowly from the 1977 and 1978 declines. These declines were attributed to high prices caused by the 1975 frost in Brazil. Imports of green coffee into the 14 leading coffee consuming nations rose 1.2 percent to 32,475,818 bags during the first nine months of 1982. U.S. coffee imports were up 4.2 percent to 12,453,281 bags. Other consumer countries where imports increased were Japan, +6.3 percent (Jan./Sep.); Norway, +8.0 percent (Jan./Aug.); Italy, +8.7 percent (Jan./Jul.); Finland, +16.6 percent (Jan./Jul.); and Austria +41.7 percent (Jan./Jul.). Coffee imports declined 2.1 percent (Jan./Aug.) in West Germany, the second leading consumer nation after the United States. Six other nations also registered declines.

U.S. Imports

U.S. imports of green coffee during January-September 1982 reached 12.5 million bags, valued at \$1.96 billion. This is up 4.2 percent in volume but about unchanged in value from year-earlier levels. The unit import value for September was \$1.14 per pound, compared with \$1.19 per pound in January.

Based on January-September 1982 data, U.S. imports of green coffee from Brazil were above year-earlier levels by 2.3 percent or 61,000 bags, while imports from Colombia were down 4.1 percent or 52,000 bags. Imports from Central America and Mexico were up 10.7 percent or 308,000 bags more than in 1981, while quantities from Africa and Asia were up 289,000 bags or 6.9 percent.

A comparison of U.S. imports by countries of origin for coffee years 1980/81 and 1981/82 appears in Table 4.

According to Bureau of Census data, U.S. roastings of green coffee from January through November 27, 1982 were 15.3 millions bags, compared with 15.5 million bags for the same period in 1981. Calendar 1981 roastings of 17.6 million bags were about 103.1 percent of the amount roasted in 1980.

Based on Bureau of Labor statistics, the wholesale price of a one-pound can of ground roast coffee during November 1982 averaged \$2.44, up from \$2.35 one year earlier. Wholesale prices for soluble coffee rose from \$6.90 per 16 ozs. in November 1981 to \$7.04 for the same month in 1982.

World Coffee Stocks

World coffee stocks are expected to decrease by about 3.3 million bags between coffee years 1981/82 and 1982/83, reaching 41.3 million by the end of the current year.

Barring a frost in Brazil, surplus stocks are likely to grow at the rate of about 7-10 million bags per year over the next few years unless the production and marketing of coffee becomes uneconomic at the farm level. This is most likely to occur first in countries where surpluses are proportionately greater, and where governments are financially unable to bear the storage costs over an extended period of time. For many countries, this should occur within five years and will be hastened by a belief that the ICO quota system will continue and that prospects for any substantial increase in sales to ICO members and non-members are dim. While some low-quality coffee may be destroyed, it is unlikely existing surpluses will be reduced by any large-scale reduction program.

The location of these stocks at year-end is expected be as follows:

	1981/82	Crop Year 1982/83 (000 bags)
North America, Central America And Caribbean	4,698	6,018
South America	23,933	18,095
Africa	12,243	12,979
Asia and Oceania	3,678	4,168
World Total	<hr/> 44,552	<hr/> 41,260

An important exception to the surplus problem occurs in Brazil. For many years Brazil, the world's largest producer, also held the major portion of world stocks, which reached in excess of 80 million bags during the mid 1960's. Due to a conscious stock reduction policy followed by a series of frosts, the situation has changed and Brazil will end its 1982/83 marketing year with stocks of only a precarious 5.3 million bags. Thus, while most countries are overburdened with stocks, Brazil would prefer to rebuild its carryover to as much as one year's supply against the prospect of future winter frosts.

Coffee Year 1981/82 Prices

The single most important factor affecting coffee prices since the economic provisions of the 1976 ICA were imposed October 1, 1980 has been the Composite Indicator Price (CIP). A system of quota cuts or increases is designed to keep the CIP within the preferred range. For coffee year 1981/82 the preferred range was between 120 and 140 U.S. cents per pound. It rose to within that range with the assurance that agreement on a quota system would exist for the year, remaining there until July and August when it fell to between 115 and 120 US cents per pound.

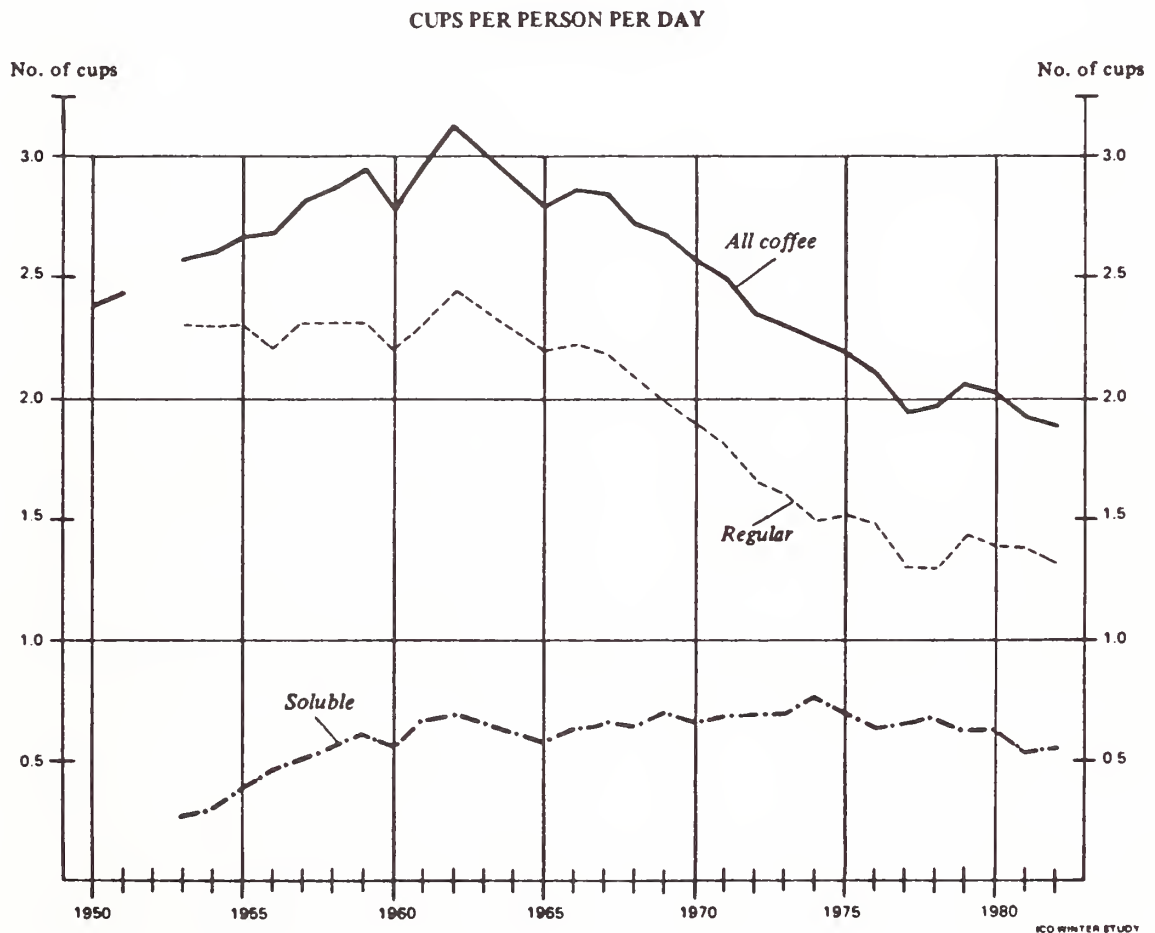
Coffee supplies were plentiful and, with interest rates high, buyers were purchasing only for their immediate needs. The oversupply, which led to three quota cuts, was due in part to undershipments by ICO members during the first half of the year. These shipments were made up during the second half of the year, a time when purchases are generally reduced because of the approach of summer. Some countries are also believed to have suspended sales to ICO members and non-members alike during the first half of the year in order to build up stocks for verification by the ICO in hopes that this would lead to a larger quota for coffee year 1982/83.

The market gained steadily during September 1982, based on the belief there would be a new ICA for 1983/84 through 1988/89 and an extension of the 1976 Agreement to cover coffee year 1982/83, so that on September 16, when the CPI passed 120 US cents per pound, the third downward adjustment of 1 million bags was restored. Because this was very close to the end of the coffee year, the ICO Executive Board decided that members could elect to receive coffee export stamps for their share of the restoration in the final quarter of coffee year 1981/82 or in the first quarter of coffee year 1982/83. Stamps corresponding to 578,800 bags were requested for use in the fourth quarter of coffee year 1981/82 with the 421,200 bag balance for use in coffee year 1982/83.

As the market price for green coffee rose steadily during September 1982, major U.S. coffee companies raised their processed coffee prices. Because the Composite Indicator Price is tied to the dollar, and the dollar has gained strength, European coffee prices have risen even more than those in the United States. Within reasonable limits, price increases do not seem to have a significant effect on consumption with the trend more closely tied to other factors. During coffee year 1981/82, Other Mild coffees were often in short supply, causing the differential between these coffees and the Robustas to widen. The spread narrowed in coffee year 1982/83 due to the tightness in tenderable Robustas. Both trends were directly tied to the ICO's quota system. Green coffee prices are expected to remain strong for some months before tapering off as the 1983 summer season approaches.

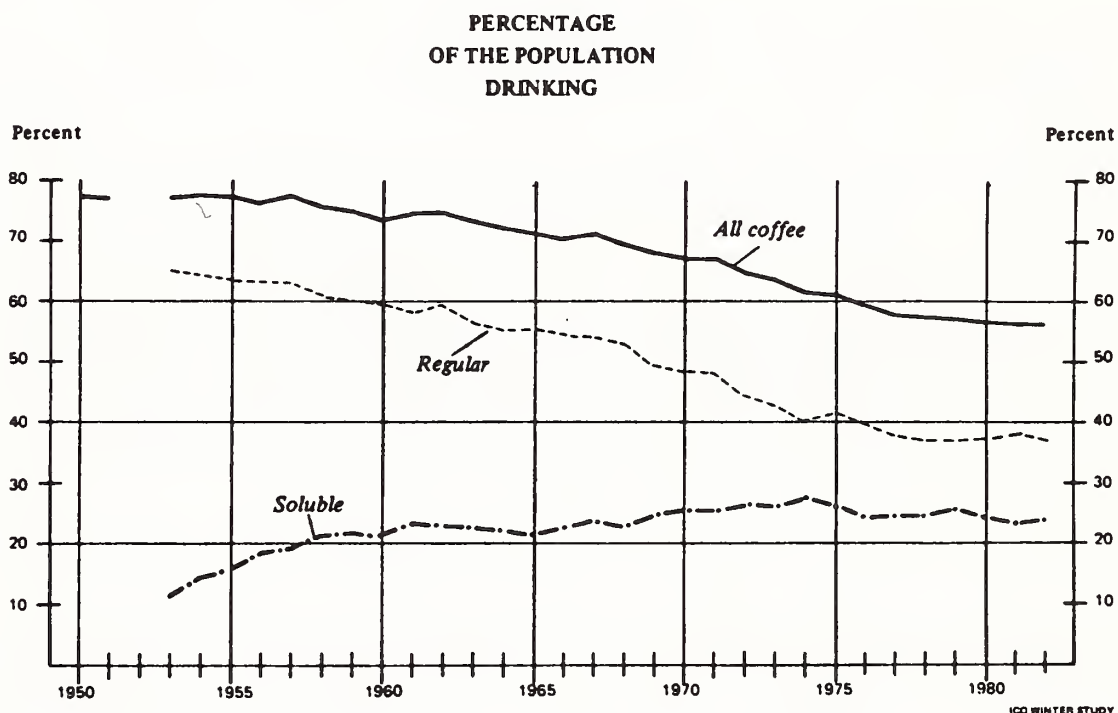
U.S. Coffee Consumption ^{1/}

Information gathered over the past 40 years for the annual Winter Coffee Drinking Study indicates a long-term decline in U.S. per capita consumption since 1962. However, because of the increase in population, this has not been reflected in the overall volume of coffee imported and consumed. The Study figures show that on average, 1.90 cups were consumed per person per day in the winter of 1982, compared to 1.92 cups in 1981. Consumption has declined nearly 40 percent from 1962 when it was 3.12 cups per person per day. The 1982 level is the lowest ever recorded by the Study and indicates a return to the long-term downward trend in consumption since 1962.



^{1/} Information in this section is based on the ICO's Coffee Drinking Study, United States of America, Winter 1982.

Approximately seven of every ten cups of coffee consumed in the United States are of regular coffee. The decrease in consumption in 1982 occurred exclusively in regular coffee, down 4 percent. Consumption of soluble coffee increased by 4 percent in 1982. The percentage of the population drinking coffee was virtually unchanged in 1982 from 1981 (56.3 percent versus 56.4 percent) but, compared to 1962, it had declined by 18 percentage points. This decrease occurred exclusively among persons drinking regular coffee. The percentage of the population drinking soluble coffee has remained virtually unchanged since 1962.



Although coffee drinking has declined in all age groups since 1962, the under-30 segment has suffered the most.

The percentage of the population drinking decaffeinated coffee continued to increase in 1982. Whereas in 1962, only one of every 25 persons drank decaffeinated coffee, one of every seven persons did so in 1982. Although coffee has remained the most popular beverage in the United States, the percentage of the population drinking it has declined significantly since 1962.

	<u>Percentage drinking</u>		
	<u>1962</u>	<u>1981</u>	<u>1982</u>
Coffee	74.7	56.4	56.3
Tea	24.7	32.6	31.6
Milk	53.6	50.4	48.9
Soft drinks	32.6	51.8	52.9
Juices	41.4	47.5	44.5

INTERNATIONAL COFFEE ORGANIZATION

Over the past two years the International Coffee Organization has been able to soothe tensions caused by the imbalance between coffee supply and demand through an export quota system. Coffee prices have been relatively stable when compared with other commodities such as soybeans, sugar and cocoa. Producer countries still believe prices are too low in relation to production costs, but consumers are unwilling to pay more in view of the excess world supply.

New 6-Year Agreement

Prior to 1982 there were three International Coffee Agreements (ICA), one in 1962, the second in 1968 and the third agreement, which went into effect for six years on October 1, 1976. Economic provisions of this agreement were placed in effect in October 1980 when coffee prices fell below the trigger price.

At its September 1981 meeting, the International Coffee Council approved a 1-year extension of the 1976 agreement to cover coffee year 1982/83, provided that provisions for any new agreement for 1983/84 and beyond would have been decided by the Council prior to July 1, 1982. As a result, the first six months of calendar 1982 were dominated by a series of preparatory meetings of the Executive Board (EB) during which amendments proposed by various working groups were examined by the E.B. Since the E.B. was not able to reach a consensus on a number of the more controversial, nonadministrative articles by the July deadline, further consideration of the remaining articles was delayed until the September 6-17, 1982 Council meeting.

The major element which held up conclusion of the new agreement, which is to run from October 1, 1983 to September 30, 1989, was the distribution of quotas. A percentage formula for determining the fixed and variable parts of the basic quotas was finally agreed upon, but for the first year of the new agreement, the formula was abandoned in favor of an ad-hoc arrangement. Beginning in 1984/85, quotas will be allocated according to the terms of the 1983 Agreement, whereby at least 70 percent of the export quotas of the basic quota group will be determined by recent export history with the balance being determined by stocks at the end of the preceding year. In order to reduce the amount of time spent negotiating, quotas will be allocated no more often than once every two years for the life of the new agreement.

The United States sought to establish a system for adjusting export quotas for the four principal types of coffee in response to movements in prices. It believed the price differential between Other Milds and Robustas had widened too much between 1980 and 1982 because an inadequate supply of the former was made available through the quota system. While producers would not agree to an immediate adoption of the system, they did agree to a feasibility study which could be used to evaluate whether such a system should be applied in coffee year 1983/84 and reconsidered annually thereafter.

Many producers and consumers were concerned about the existence of "paper quotas" in cases where producers failed to fill their export authorization due to shortfalls or undershipments. According to provisions of the new agreement, countries which fail to fill their export entitlements will have their quotas cut the following coffee year.

In the past, member countries exporting less than 100,000 bags each year have benefitted from automatic 10-percent increases in their annual quotas while those in the 100,000 to 400,000-bag group were automatically increased by 5 percent. Major coffee producers felt such increases are now inequitable in view of the stagnant world demand for coffee. Thus, for coffee years 1982/83 and 1983/84, small producers were authorized a fixed 5.7-percent share of the 56.0-million-bag global quota, distributed according to their 1981/82 allocations.

Special provisions were granted Rwanda and Burundi, countries which are highly dependent on coffee, so that each will be able to export 430,000 bags in 1982/83, 450,000 bags in 1983/84 and 470,000 bags thereafter, until the end of the new Agreement.

The Council also acted favorably on the Philippine request that it be graduated from the small producer group to the status of a basic quota holder. The Philippines requested a 600,000 bag quota for 1982/83, but was granted only 470,000 bags. Other producers with basic quotas argued that the Philippines should not be granted a substantially larger quota while they were receiving minor increases or suffering cuts.

In order to prevent the possibility that the coffee market might be manipulated by another "Bogota" type group, the United States sought language in the new agreement which would explicitly prohibit such activity. Producers agreed to such a clause provided it would apply only when prices were stable at remunerative prices.

Other less controversial articles, approved during the September 1982 session, dealt with payments and withdrawals from the Promotion Fund to carry out activities to encourage increased coffee consumption, and the Special Fund to finance other works of the Organization.

Extension of the 1976 ICA to Cover Coffee Year 1982/83

Once agreements on the outstanding articles of the new ICA were reached, the ICO Council began work on the details of the one-year extension of the 1976 Agreement. Agreement on a 56.0-million-bag quota for coffee year 1982/83 was reached on September 25. Members exempt from quota adjustments, those exporting less than 400,000 bags annually, received 3.2 million while producers exporting over 400,000 bags, those subject to quota adjustments, received 52.8 million.

The system's upward and downward adjustments are very similar to those applied during coffee year 1981/82. Members exporting less than 400,000 bags and Rwanda and Burundi are not subject to increases or decreases in their annual quotas. Members exporting less than 100,000 bags may export their full entitlement at any time during the coffee year, and those within the 100,000 to 400,000-bag bracket, plus Rwanda and Burundi, may export their full entitlement for each quarter after presentation to the Executive Director of acceptable evidence that they have sufficient coffee for export. Coffee stamps equivalent to their quarterly quotas for countries with basic quotas, less the maximum amount of potential reductions, are released 10 days prior to the beginning of each quarter. Unless the Executive Director decides otherwise, and if no reduction in quotas has taken place, coffee export stamps equivalent to one quota cut will be released on the 15th day of the second month, and the balance on the 15th day of the third month of the quarter. Stamps corresponding to any increase in restoration of or transfer of quotas will be released immediately.

Israel and Hungary Cease to be Members

For economic and commercial reasons, Israel and Hungary decided not to participate in the 1982/83 extension of the 1976 Agreement. As a result, the Executive Board agreed to reduce the 56 million-bag global quota for the year by 750,000 bags, corresponding to the amount imported by these two markets. Country-by-country reductions in individual quotas will take effect in the third and fourth quarters of the current coffee year. The United Kingdom also announced that the Agreement will no longer extend to Hong Kong beginning October 1, 1982. This reduces the membership to 24 importing members and 47 exporting members.

U.S. Participation

A resolution extending the U.S. authority to participate in the International Coffee Agreement until December 17, 1982, was tied to a continuing resolution that received final Congressional approval October 1, 1982. Congressional approval for U.S. participation for the balance of coffee year 1982/83 was attached to a miscellaneous tariff bill approved by the U.S. Senate on October 22, 1982.

Controls

Over the past two years, shipments by members, which contribute over 99 percent of world exports, to non-members, which import 10 percent of world imports, have increased by 2.0 to 3.0 million bags. Most of the increase has gone to Middle East and East European markets. Since the Middle East's coffee drinking habits and East European finances do not support the possibility of large increases, there was concern that a substantial portion of this increase was finding its way back to consumers in member country markets. A number of producers are willing to sell coffee to non-members at up to 50 percent below prices to member countries in order to increase their foreign exchange earnings or reduce carryover stocks. This has created a two-tier market price-- one for exports to members and another for exports to non-members. Industry sources in member countries are concerned that their competitors may be able to obtain coffee at below the going rate, seriously undermining their support for the organization. Others are concerned that the lower prices available to non-members might prompt more countries to follow the example of Hungary, Israel and Hong Kong in leaving the ICO.

Limitations on Non-member Imports

At the May 4-14, 1982 meeting, the members of the Executive Board decided to limit exports from non-members for coffee year 1982/83 to 533,296-60 kilogram bags. The limitations placed on individual members were set as follows:

<u>Importing Member</u>	<u>Limitation</u>	<u>Importing Member</u>	<u>Limitation</u>
<u>TOTAL</u>	<u>533,296</u>	Canada	1,805
<u>U.S.A.</u>	<u>109,150</u>	Cyprus	148
<u>EC</u>	<u>122,854</u>	Finland	2,770
Belgium/Luxembourg	23,027	Hong Kong <u>1/</u>	8,099
Denmark	18,566	Hungary <u>1/</u>	13,282
France	11,405	Israel <u>1/</u>	4,300
F.R. of Germany	5,990	Japan	24,933
Greece	1,611	New Zealand	576
Ireland	747	Norway	7,717
Italy	44,728	Portugal	9,932
Netherlands	12,908	Singapore	98,641
United Kingdom	3,872	Spain	99,578
<u>Other Members</u>	<u>301,292</u>	Sweden	240
Australia	1,652	Switzerland	16,060
Austria	4,654	Yugoslavia	6,905

1/ To be redistributed.

The U.S. portion of the non-member quota was largely filled during October, the first month of the new year.

Quarterly Distribution

Article 36 of the 1976 Agreement states that quarterly quotas of each exporting member shall be, as nearly as possible, 25 percent of its annual quota. All those with export quotas in excess of 100,000 bags are affected. This is to assure an orderly flow of coffee to world markets throughout the period for which quotas are set. For special reasons, members may be allowed to export up to 60 percent of their quota during the first two quarters and 80 percent in the first three quarters. The reasons can be financial or due to insufficient storage facilities for a coffee harvest concentrated during the early months of the coffee year. For the 1982/83 crop year, requests for redistribution of quotas were received from El Salvador, Thailand, Zaire and several other countries. So far these have not been approved.

Indicator Prices

Because of special sales arrangements, buyers rebates, etc. published prices for Colombian and Brazilian coffees have been unrealistic and therefore unusable for the calculation of an improved indicator price series. Together, these two countries account for nearly half of the ICO global export quota. Agreement was reached at the September 1982 meeting under which final net ex-dock prices for Brazilian and Colombian coffees will be collected in the United States and Europe beginning October 1, 1982 without disclosing the actual terms of individual sales contracts. Once these series have been established, they will be examined to determine whether they should be used as indicators for the Colombian Milds and Brazilian and Other Arabicas groups and eventually in the ICO composite indicator price.

PRODUCTION

North America, Central America And Caribbean

Coffee production in North America, Central America and the Caribbean is now estimated at 16.1 million bags in 1982/83, with exportable production at 12.1 million. Somewhat larger estimates for the Honduran and Costa Rican crops more than offset downward revisions for Guatemala and Mexico. Present 1982/83 estimates exceed by 6 and 7 percent, respectively, total and exportable estimates for 1981/82.

Despite labor shortages in some areas, Costa Rica expects to harvest a record 2.3-million-bag coffee crop in 1982/83 (October/September), up from 1.875 million in 1981/82. The increase is due to higher yields (30 bags/hectare verses 25) resulting from the expanding use of improved varieties planted more densely, new pruning techniques and the cyclical pattern of bearing. The amount of cropland devoted to coffee will remain virtually unchanged between 1981/82 and 1982/83 as expansion into the limited new areas available are nearly offset by losses due to urbanization. Output can be expected to increase over the next several years as small-to medium-sized growers replace lower-yielding trees.

The 1982/83 coffee crop will be distributed as follows:

Exports	80%
Local Consumption	14%
Unallocated	6%

Coffee for local processing is purchased at domestic auction. Some coffee processed for the domestic market is believed to be smuggled to Panama for consumption.

Costa Rica's success at increasing output has been a mixed blessing since the growing world coffee glut has led to a buildup in carryover stocks from less than 100,000 bags on September 30, 1980, to an estimated 1.4 million bags at the end of the current year. Producers and coffee mills have had to rent vacant sugar warehouses in order to accommodate the surplus. In an effort to hold down the growth in inventories, Costa Rica has sought to increase its sales to ICO non-member markets through barter arrangements. Non-member sales are expected to be between 100,000 and 150,000 bags during 1982/83.

In the Dominican Republic, the government has announced a new internal quota system for exports from the 1.1 million bag 1982/83 (October/September) harvest. . The country's 492,000 bag ICO quota will be distributed in two parts. Under the fixed portion, which will apply for the first three quarters (October-June) traditional exporting firms will receive 77.5 percent of the quota, producer associations 20.5 percent and producer exporters 2.0 percent. Fourth quarter allocations will correspond to stock holdings. Exporters who fail to market their share will have their quotas redistributed to other exporters.

Unseasonably heavy rains in mid-September 1982 caused early maturation of the 1982/83 (October/September) coffee crop in El Salvador. At 2.4 million bags, the harvest is likely to be slightly greater than the estimated 2.38 million produced in 1981/82. Most of El Salvador's coffee is produced in regions which have not lately been heavily involved in the continuing conflict between government forces and guerrillas. Favorable weather conditions appear to have mitigated any negative impact that the reduced use of higher priced fertilizer may have had on yields.

The effect of rust, which first appeared in 1980/81 and is now found throughout the coffee growing area, has been minimal to date.

At its May meeting, the Executive Board of the ICO approved a request by El Salvador to ship 575,000 bags--roughly one quarter's exports--to bonded warehouses in the United States and Europe during the last quarter of 1981/82 with stamps for the first quarter of 1982/83. Once the coffee is safely warehoused overseas it can be used by the Salvadoran Coffee Institute (INCAFE) as collateral for loans.

Good weather, excellent flowering and an up year in the two-year production cycle in Honduras now suggests a 1.37-million-bag coffee harvest during 1982/83 (October/September), an 11-percent increase over 1981/82.

A five-year, \$9.55-million project is underway by the United States Agency for International Development (USAID) to make credit available for the renovation of small coffee plantations (less than 10 hectares) through the high density planting of rust resistant varieties. USAID is also working with the Honduran Coffee Institute (IHCAFE) on a program to help smaller coffee producers diversify a portion of their land into cardamom, pepper and other crops against the possibility that rust may some day render coffee production uneconomic.

Honduras plans to encourage increased domestic consumption and sales to non-member countries in an effort to hold back the rapid buildup in stocks. IHCAFE did not encourage non-ICO exports in 1981/82 due to the anticipation of a smaller harvest and larger member-country export sales. In 1982/83, Honduras hopes to sell 230,000 to 385,000 bags to non-traditional markets, including Romania and Argentina.

Although yields in the important coffee growing region of Soconusco in Chiapas State were down because of storm damage, Mexico's 1982/83 (October/September) crop, at 4.1 million bags, may still exceed last year's output by 100,000 bags. The March eruption of El Chichonal volcano also reduced the output potential. Yields were up 30 to 40 percent throughout Veracruz State where excellent flowering and early season growing conditions were not significantly affected by a mid-season drought. Coffee rust appears to have been adequately controlled on the 44,000 hectares in Chiapas it now affects so that tree yields have not suffered.

Coffee is one of Mexico's most important agricultural export commodities, often accounting for 30 percent or more of the sector's foreign exchange earnings. Mexico's exports, which were just under 1.85 million bags in 1981/82, are basically limited to its ICO mandated quota to member country markets. Through an aggressive policy to expand exports to non-member countries, Mexico hopes to increase foreign sales to 2.2 million bags during 1982/83, including up to 400,000 bags to non-quota markets. In 1981/82, sales to non-members, principally Czechoslovakia, Albania and Taiwan, were only 35,700 bags. Hungary, which declined membership in the ICO for coffee year 1982/83, is a major Mexican target.

Private sector exporters are generally unhappy that they must pay into a fund from member country sales to finance sales made by government or the private sector to non-members. Exporters who sell to non-members are exempt from all export taxes, and also receive reimbursement which covers most of the difference in returns between non-member sales at \$0.65 per pound and member sales at \$1.30 per pound.

Favorable weather conditions during the flowering and berry development periods, complemented by productive cultural practices, have contributed heavily towards an excellent 1,025,000-bag harvest during 1982/83 (October/September) in Nicaragua.

Coffee rust has spread into the Jinotega and Penco Elanco areas where, like elsewhere, it is being kept under control. Some of the coffee farms rehabilitated from rust in the Carazo region have been returned to their owners. It is estimated that 20 percent of about 99,000 hectares in coffee are still under government control.

Exports are expected to reach 966,000 bags during 1982/83, including 6,000 bags green bean equivalent of soluble exports, well above the 791,000 bags exported during 1981/82, including of 51,000 bags GBE of soluble. If Nicaragua is to achieve its goal, it will have to increase its sales to non-member markets in Eastern Europe.

According to the Hawaii Agricultural Reporting Service, coffee production in that state totaled about 13,000 bags during 1981/82 (October/September), a substantial increase from the 9,000 bags produced the year before. Record-high prices averaging \$2.00 per pound, parchment basis, pushed the value of the crop to \$4.4 million, the highest in 25 years.

Coffee was grown on 1,800 acres in Hawaii in 1981/82, with 1,700 acres available for harvesting. Favorable weather conditions prevailed during most of the year in the major growing district of Kona on the Island of Hawaii.

South America

The total South American outturn is estimated at 35.3 million bags with exportable production at 23.7 million, compared with 1981/82 total and exportable crops of 51.4 million and 39.4 million bags, respectively. Lower levels of output are now projected for Brazil, Colombia and Ecuador.

On the assumption that overall dehusking yields will be normal, the 1982/83 (July/June) Brazilian coffee crop estimate remains unchanged at 17.75 million bags, down nearly 50 percent from the preceding year because of the July 1981 frosts.

Based on field observations, the U.S. Agricultural Counselor in Brazil forecasts the 1983 (1983/84) production potential at a minimum of 27-29 million bags distributed by states as follows:

<u>States</u>	<u>Millions of bags</u>
Parana	6.0 to 6.5
Sao Paulo	7.5 to 8.0
Minas Gerais	8.5 to 9.0
Other	5.0 to 5.5
Total	27.0 to 29.0

The above forecast assumes the adequate distribution of rainfall during and after the 1983 crop flowering season and the continuation of favorable pricing policies by the government, especially the policy of monthly adjustments of producer support prices according to the rate of devaluation of the cruzeiro. This measure protects producers against inflation, enabling them to apply the appropriate management practices for a maximum outturn per tree.

Brazilian coffee exports during the 1981/82 coffee marketing year were 17,561,200 bags--nearly 2 million bags above the preceding year. Record-level soluble exports contributed to the increase. The quantity and value of Brazilian coffee exports for marketing years 1980/81 and 1981/82 were as follows:

	<u>1980/81</u>		<u>1981/82</u>	
	Thousands of bags	\$ Million FOB	Thousands of bags	\$ Million FOB
Green	13,492	2,062	14,296	1,535
Soluble <u>1/</u>	2,248	263	3,265	254
Total	<u>15,740</u>	<u>2,325</u>	<u>17,561</u>	<u>1,789</u>

1/ Green bean equivalents

For 1982/83, exports are expected to total 17.5 million bags.

Minimum IBC export registration prices for green and soluble coffee were as follows for shipments through December 31, 1982:

- a) Green Coffee--\$1.30 per pound of type 6 or better Arabica coffee. \$1.10 per pound of type 7/8 and better Robusta coffee. In both cases the contribution quota or export tax is maintained at \$50 per bag.
- b) Soluble coffee--Spray dried--\$3.15 per pound (Contribution quota \$0.75 per pound.)--Freeze dried--\$4.10 per pound (Contribution Quota \$0.90 per pound.)

Erratic weather between January and August 1982 in Colombia may have reduced both the 1981/82 and 1982/83 coffee harvests (October/September). Excessive rains during the January-March period adversely affected plant physiology, reduced pollination, and destroyed flowers. In some areas, ripe cherries were knocked to the ground and lost. While the heavy rains affected much of the core of the coffee producing region, the effects were most dramatic in Caldas Department where production during the first half of the year was 33 percent below the year before.

The heavy rains early in the year were followed by a severe drought in parts of Risaralda Department and Western Caldas, which may have increased the incidence of hollow beans. However, until the effects of the drought are fully evaluated the output estimate for 1982/83 will remain unchanged at 13.5 million bags.

Another factor which now affects production is the reduced use of fertilizer. Had the intensive use of fertilizer been economical, it would have ameliorated the normal cyclical decline in output in 1982/83 following the large harvest of 1981/82.

During 1981/82, grower prices were adjusted upward twice. However, these adjustment were more than offset by domestic inflation and the devaluation of the local currency against the dollar. Under world market conditions, domestic price policy is designed to discourage surplus coffee production.

Year-end 1981/82 stocks on September 30, 1982, are estimated at a record-breaking 8.8 million bags. In order to help offset the heavy burden of buying and carrying these stocks, the Coffee Growers Federation (CGF) has reduced the domestic consumption subsidy by increasing the green coffee price to roasters by 7 percent.

Official exports were 8,990,275 bags during 1981/82, representing a slight reduction from the previous year. At about 1.7 million bags or 19.7 percent, the U.S. share continues to decline while European countries increased their share to 69.4 percent. Exports of soluble coffee, including freeze-dry coffee from the CGF plant at Chinchina, were 101,180 bags GBE, 20 percent less than in 1980/81. Colombia is continuing its efforts to expand coffee exports to non-ICO members, mainly through barter agreements.

During the past year, Colombia led an effort within the Andean Pact (Colombia, Venezuela, Ecuador, Bolivia, and Peru) to fight coffee rust. Within Colombia itself, distribution of the rust resistant variety "Colombia" to growers has been delayed until late 1983.

For 1982/83 (April/March), Ecuador's coffee crop is now estimated at 1.4 million bags, up 200,000 bags from the previous estimate. Earlier estimates of the effects of the December 1981-April 1982 drought are now regarded as having been too pessimistic. Production estimates for crop years 1980/81 and 1981/82 have also been revised in order to reflect stock levels at least as high as those verified by the ICO.

Total exports in 1982/83 are projected at about 1.36 million bags, including sales of 240,000 bags to ICO non-members. The projected increase in exports, over the 1.19 million bags exported during 1981/82, is based on the aggressive marketing techniques of the soluble coffee industry of Ecuador and incentives awarded by the government to exporters selling to non-members. Five percent of Ecuador's ICO export quota is reserved for shipment under the export incentives program. The remaining 95 percent is distributed as follows: 14 percent to the agricultural sector (grower organizations), 20 percent to the industrial sector (processed coffee), and 66 percent to commercial bean exporters. The United States remains as Ecuador's most important market.

Africa

In Africa, production is estimated at 20.9 million bags, with 18.3 million exportable. These estimates are above previous estimates for 1982/83, mainly because of higher expectations from Angola, Cameroon, Central African Republic, Madagascar, Uganda and Zaire, which were only partly offset by declines in the estimates for Burundi, Ethiopia, Ivory Coast and Kenya.

USDA's estimate of the 1982/83 (October/September) Ivory Coast coffee crop remains unchanged at 4.8 million bags, up 600,000 bags from the revised figure of 4.2 million for 1981/82. Last year's output was down because it was an off year in the production cycle and rainfall was insufficient during the February-March flowering period. However, rainfall was excessive between April and June, making many roads from producing areas to processing centers impassable.

The Ivorian Government has decided to discontinue a plan to increase the area planted to coffee and rejuvenate other areas in favor of a program to diversify agricultural production. Although many plantations are in need of rejuvenation, payments for pruning coffee trees and establishing new plantations have been stopped. Upgrading the quality of the cherries delivered to the decortication plants is the major emphasis of Government policy now. As an incentive, consideration is being given to a plan to pay a 20 CFA/kilo bonus to growers who deliver high-quality beans to the plants. Grower prices for 1982/83 remained unchanged from the preceding season at 300 CFA/kilo for green beans and 150 CFA/kilo for cherries.

At the end of September 1982, the Ivory Coast held more than 3 million bags of coffee stocks. If the country is successful in increasing its exports to ICO non-member markets, it can draw on these stocks. During the first eight months of 1982, exports were 3.22 million bags, 770,000 bags above the same period of 1981. France, the United States, Italy and the Netherlands are the main ICO markets, while Algeria is the largest non-member market.

Uganda's 1981/82 (October/September) coffee harvest has been revised to 2.7 million bags, up nearly 600,000 bags from 1980/81. Internal security was not a significant barrier to increased production in these two years. The European Community (EC) is providing aid to Uganda in an effort to help rehabilitate the country's coffee industry. This is part of the EC assistance provided under the Lome Convention, which links 10 countries of the European Community with the developing countries of Africa. This aid will be made available in the form of trucks and a variety of farm inputs. When these factors are considered together with higher producer prices, coffee production could reach or exceed 2.9 million bags in 1982/83.

Asia and Oceania

Production of coffee in Asia and Oceania in 1982/83 is estimated at 10.3 million bags with exportable production estimated at 7.0 million. Corresponding estimates for 1981/82 are 10.8 million bags total and 7.8 million exportable production. Major producers are India, Indonesia, and the Philippines in Asia, while Papua New Guinea is the only commercial producer of significance in Oceania.

Production of coffee in India during crop year 1982/83 (October/September) is estimated at 2.0 million bags, 20 percent lower than the preceding year. The decline was due to prolonged dry weather and erratic behavior of the Southwest monsoon in all the major coffee growing states and the biennial bearing tendency of the coffee tree.

Conditions for harvesting and processing the 2.52 million bag 1981/82 crop were ideal. Output was almost equally divided between Arabica at 1.29 million bags and Robusta at 1.23 million bags. The area under coffee is expected to grow from 206,800 hectares in 1980/81 to 223,800 hectares in 1982/83. Provisional estimates of area for the 1980/81 season by states are as follows:

	<u>Arabica</u>	<u>Robusta</u> Hectares	<u>Total</u>
Karnataka	74,523	38,439	112,962
Kerala	3,408	54,541	57,949
Tamila Nadu	27,077	5,470	32,547
Others	---	---	3,361
Total	<hr/>		206,819

According to provisional figures of the Coffee Board, exports were essentially unchanged between 1980/81 and 1981/82 at about 1.485 million bags. Despite having its export quota for 1982/83 reduced to 642,511 bags by the ICO, India hopes to maintain its exports at the level of the past two years by selling more to ICO non-members such as Czechoslovakia, Romania, East Germany, Algeria and Morocco. Increased sales of soluble coffee are also being pursued. The USSR has been the principal market for instant coffee followed by the U.K. and Australia.

The most striking aspect of the Indonesian coffee situation during 1982/83 (April/March) has been the dramatic increase in exports to non-member countries. Exports are expected to reach 3.76 million bags, with sales to non-members almost double the 1981/82 level of 716,473 bags. A smaller harvest than anticipated earlier--(5.58 million bags vs 5.9 million bags), due to dry weather, will help hold down the coffee supply. Despite the smaller harvest, ending stocks will be about 2.335 million bags, a 25-percent increase over last year and almost 400 percent over 1980/81.

Concerned that Indonesia is losing potential export sales because of low quality, the government has developed a new grading system which will become effective in October, 1983. The new grading system bases quality on the number of defects rather than on the percentage of defects.

In an effort to increase its non-member sales, the government is continuing its one-for-one system, which entitles the private sector to obtain exporter stamps for member country sales equal to their non-member sales. To the extent possible, non-export quality coffee is funneled into the domestic market, which requires 1.25 million bags per year.

The Philippines is one of the few countries where all four varieties of coffee, Robusta, Arabica, Excelsa and Liberia, are grown. Coffee output during the current crop year (October 1982/September 1983), approximately 85 percent Robusta, is estimated at 1.13 million bags, 14.6 percent more than a year ago. Until recently, growth in output over the 5-year period 1983/87 was projected at around 9 percent per year. However, in view of the country's inability to obtain further increases in export quotas, the government has now adopted a policy of not encouraging new plantings.

The United States is the primary market for Philippine coffee, usually taking over 85 percent of exports. Exports are primarily in the green form, however, in recent years Philippine manufacturers have started to export a significant amount of soluble, mainly to Papua New Guinea and other destinations in the Far East.

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TABLE 1 COFFEE, GREEN: TOTAL PRODUCTION UNSPECIFIED COUNTRIES - AVERAGE 1973/74-1977/78, ANNUAL 1978/79-1982/83
(IN THOUSANDS OF 60 KILO BAGS)

REGION AND COUNTRY	AVERAGE 1973/74-1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
NORTH AMERICA:						
COSTA RICA.....	1,405	1,749	1,522	2,023	1,875	2,300
CUBA.....	400	223	372	344	383	350
DOMINICAN REPUBLIC.....	913	695	1,009	1,112	850	1,100
EL SALVADOR.....	2,722	3,423	3,322	2,690	2,380	2,400
GUATEMALA.....	2,307	2,827	2,647	2,702	2,653	2,570
HAITI.....	550	443	669	465	485	460
HONDURAS.....	849	1,132	1,137	1,265	1,230	1,370
JAMAICA.....	25	14	34	20	20	23
MEXICO.....	3,680	4,022	3,600	3,862	4,000	4,100
NICARAGUA.....	804	1,004	1,019	933	950	1,025
PANAMA.....	79	104	105	114	125	135
TRINIDAD-TOBAGO.....	48	39	37	46	41	50
US-HAWAII.....	13	10	13	9	13	11
US-PUERTO RICO.....	188	159	183	234	198	246
TOTAL NORTH AMERICA.....	13,983	15,844	15,669	15,819	15,203	16,140
SOUTH AMERICA:						
BOLIVIA.....	108	122	137	145	145	145
BRASIL.....	18,320	20,000	22,000	21,500	33,000	17,750
COLOMBIA.....	9,130	12,600	12,712	13,500	14,000	13,500
ECUADOR 3/.....	1,288	1,640	1,609	1,517	1,704	1,400
GUYANA.....	15	19	22	26	26	25
PARAGUAY.....	82	144	40	116	239	180
PERU.....	940	1,130	1,265	1,170	1,150	1,150
VENEZUELA.....	956	1,011	1,031	1,109	1,130	1,100
TOTAL SOUTH AMERICA.....	30,840	36,666	38,816	39,083	51,394	35,250
AFRICA:						
ANGOLA.....	1,954	613	260	586	392	530
BECHIN.....	22	3	5	5	31	6
BURUNDI.....	352	387	466	333	732	333
CAMEROON.....	1,507	1,634	1,658	1,950	1,900	1,950
CENTRAL AFRICAN REPUBLIC..	161	130	230	215	270	300
CONGO, BRAZZAVILLE.....	25	107	43	35	36	42
EQUATORIAL GUINEA.....	95	90	100	100	110	110
ETHIOPIA.....	2,642	3,142	3,188	3,264	3,200	3,350
GABON.....	4	6	8	8	15	7
GHANA.....	57	31	35	27	40	43
GUINEA.....	82	109	48	112	84	90
IVORY COAST.....	4,422	4,742	3,973	6,040	4,200	4,900
KENYA.....	1,334	1,239	1,531	1,665	1,626	1,600
LIBERIA.....	105	144	171	147	180	180
MADAGASCAR.....	1,201	814	1,313	1,150	1,305	1,200
MALAWI.....	2	3	5	7	10	6
NIGERIA.....	49	60	40	52	62	60
RWANDA.....	452	311	501	506	502	500
SIERRA LEONE.....	95	230	172	157	179	170
TANZANIA.....	806	856	800	960	1,110	917
TOGO.....	153	105	182	165	225	200
UGANDA.....	2,702	1,944	2,042	2,133	2,700	2,900
ZAMBIA (COPPER).....	1,296	1,293	1,316	1,526	1,300	1,450
ZIMBABWE.....	61	77	68	94	82	117
TOTAL AFRICA.....	19,543	18,070	18,155	21,237	20,291	20,861
ASIA:						
INDIA.....	1,690	1,842	2,495	1,977	2,517	2,000
INDONESIA.....	3,108	4,788	4,803	5,265	5,870	5,580
MALAYSIA.....	119	143	140	145	148	148
PHILIPPINES.....	492	679	811	944	986	1,130
PORTUGUESE TIMOR.....	70	--	--	--	--	--
THAILAND.....	100	171	170	212	270	323
VIETNAM.....	60	70	70	70	60	60
YEMEN, ARAB REP.....	46	50	53	57	60	65
TOTAL ASIA.....	5,685	7,743	8,542	8,670	9,911	9,306
OCEANIA:						
NEW CALEDONIA.....	10	11	10	10	10	10
PAPUA NEW GUINEA.....	662	740	840	875	908	950
TOTAL OCEANIA.....	672	751	850	885	918	960
WORLD TOTAL.....	70,764	79,074	82,032	85,694	97,717	82,517

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ 132,276 pounds. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1981 in that country is shown as production for the 1981/82 marketing year. In Ecuador, however, this is referred to as the 1980/81 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

TABLE 2 COFFEE, GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1973/74-1977/78, ANNUAL 1978/79-1982/83
(IN THOUSANDS OF 60 KILO BAGS)

REGION AND COUNTRY	AVERAGE 1973/74-1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
NORTH AMERICA:						
COSTA RICA.....	1,235	1,533	1,311	1,815	1,632	2,077
CUBA.....	--	--	--	--	--	--
DOMINICAN REPUBLIC.....	635	415	724	822	555	800
EL SALVADOR.....	2,541	3,228	3,122	2,490	2,180	2,200
GUATEMALA.....	2,017	2,517	2,332	2,381	2,328	2,235
HAITI.....	327	228	449	240	264	235
HONDURAS.....	747	1,024	1,023	1,149	1,110	1,246
JAMAICA.....	12	5	22	5	8	9
MEXICO.....	2,118	2,915	2,310	2,362	2,400	2,400
NICARAGUA.....	726	921	936	849	855	920
PANAMA.....	15	36	39	46	55	64
TRINIDAD-TOBAGO.....	35	24	21	24	23	32
US-HAWAII.....	--	--	--	--	--	--
US-PUERTO RICO.....	--	--	--	--	--	--
TOTAL NORTH AMERICA.....	10,404	12,846	12,289	12,143	11,410	12,218
SOUTH AMERICA:						
BOLIVIA.....	79	89	103	111	110	109
BRAZIL.....	10,820	12,000	14,000	13,500	24,500	9,750
COLOMBIA.....	7,672	10,970	10,962	11,675	12,150	11,645
ECUADOR 3/.....	1,120	1,437	1,398	1,297	1,474	1,160
GUYANA.....	--	--	2	3	3	3
PARAGUAY.....	57	117	9	RM	209	149
PERU.....	692	880	1,015	929	894	880
VENEZUELA.....	288	72	64	19	23	--
TOTAL SOUTH AMERICA.....	20,724	25,565	27,553	27,622	39,363	23,696
AFRICA:						
ANGOLA.....	1,490	568	220	545	350	487
BENIN.....	21	2	4	4	30	5
BURUNDI.....	349	384	463	330	729	330
CAMEROON.....	1,480	1,606	1,626	1,917	1,865	1,915
CENTRAL AFRICAN REPUBLIC.....	150	118	216	198	252	282
CONGO, BRAZZAVILLE.....	24	106	42	34	35	41
EQUATORIAL GUINEA.....	85	80	90	90	100	100
ETHIOPIA.....	1,061	1,432	1,555	1,664	1,503	1,650
GABON.....	3	5	7	7	14	6
GHANA.....	44	23	27	23	36	37
GUINEA.....	76	103	42	106	78	84
IVORY COAST.....	3,960	4,677	3,908	5,976	4,135	4,732
KENYA.....	1,302	1,181	1,468	1,612	1,566	1,545
LIBERIA.....	90	138	165	141	174	174
MADAGASCAR.....	1,061	666	1,158	984	1,132	1,023
MALAWI.....	2	3	5	7	10	6
NIGERIA.....	--	--	--	--	--	--
RWANDA.....	450	309	499	504	500	498
SIERRA LEONE.....	90	225	167	152	174	165
TANZANIA.....	782	836	786	945	1,094	901
TOGO.....	152	104	181	164	224	199
UGANDA.....	2,670	1,905	2,001	2,090	2,655	2,854
ZAIKE (CONGO,K).....	1,142	1,123	1,141	1,346	1,115	1,265
ZIMBABWE.....	53	69	59	85	72	107
TOTAL AFRICA.....	15,940	15,663	15,830	18,924	17,843	18,406
ASIA:						
INDIA.....	923	1,034	1,599	1,090	1,607	1,075
INDONESIA.....	2,109	3,738	3,723	4,137	4,618	4,200
MALAYSIA.....	12	--	--	--	--	--
PHILIPPINES.....	124	321	404	512	491	620
PORTUGUESE TIMOR.....	60	--	--	--	--	--
THAILAND.....	7	61	57	94	151	187
VIETNAM.....	25	35	35	35	25	25
YEMEN, ARAB REP.....	36	40	43	47	50	55
TOTAL ASIA.....	3,300	5,229	5,861	5,915	6,942	6,162
OCEANIA:						
NEW CALEDONIA.....	1	--	--	--	--	--
PAPUA NEW GUINEA.....	649	725	824	859	892	933
TOTAL OCEANIA.....	650	725	824	859	892	933
WORLD TOTAL.....	52,034	60,028	62,357	65,503	76,450	61,415

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvest production minus estimated domestic consumption. 2/ 132,276 pounds. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1981 in that country is shown as production for the 1981/82 marketing year. In Ecuador, however, this is referred to as the 1980/81 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements. Also, due to rounding, country totals may not add to area and world totals.

SOURCE: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

January 1983

Horticultural and Tropical Products Division, FAS/USDA

TABLE 3

WORLD COFFEE SUPPLY AND DISTRIBUTION, 1961-1983

(IN 1,000 60-KG BAGS)

COUNTRY BY TIME PERIOD	BEGINNING STOCKS	PRODUCTION	IMPORTS	TOTAL SUPPLY	DOMESTIC USE	EXPORTS				ENDING STOCKS
						DISTRIBUTN	BEANS	RSTD/GRND	SOLUBLE	TOTAL
WORLD TOTAL										
1961/62.....	65,124	75,951	279	141,354	21,074		45,960	56	135	46,152
1962/63.....	74,129	67,791	257	142,177	14,637		46,781	42	123	46,949
1963/64.....	80,539	65,341	182	146,062	17,616		50,286	69	118	51,073
1964/65.....	77,372	52,655	178	130,205	16,741		41,769	58	78	41,906
1965/66.....	71,557	82,157	249	153,963	17,804		49,670	37	257	49,966
1966/67.....	86,190	63,387	279	149,856	19,251		48,328	26	564	48,919
1967/68.....	81,686	71,145	273	153,104	12,072		54,723	55	741	55,520
1968/69.....	79,516	63,289	229	143,034	19,639		52,546	76	963	53,586
1969/70.....	69,810	69,628	267	139,705	14,831		53,865	83	1,161	55,108
1970/71.....	65,707	59,429	505	125,641	19,372		50,554	112	1,253	51,920
1971/72.....	54,351	73,315	524	128,190	19,052		56,650	249	1,589	58,488
1972/73.....	50,648	77,270	498	128,416	17,458		59,079	346	2,045	61,471
1973/74.....	49,492	65,835	563	115,890	19,017		58,399	192	2,149	60,739
1974/75.....	36,133	82,830	564	119,527	19,220		53,348	235	1,985	55,568
1975/76.....	44,738	73,218	525	118,481	13,208		57,346	371	2,164	59,881
1976/77.....	39,393	61,002	580	100,975	14,417		54,317	351	2,224	56,844
1977/78.....	25,714	70,933	601	97,248	18,799		47,829	185	894	48,907
1978/79.....	29,542	79,074	713	109,329	19,494		62,037	225	2,430	64,691
1979/80.....	25,144	82,032	730	107,906	20,012		59,103	224	2,533	61,858
1980/81.....	26,036	85,654	665	112,395	20,511		56,831	165	2,812	59,811
1981/82.....	32,073	97,717	732	130,522	21,592		60,356	192	3,827	64,378
1982/83.....	44,552	82,517	730	127,799	21,461		61,033	168	3,874	65,078

NOTE: TOTAL MAY NOT ADD BECAUSE OF ROUNDING, -- DENOTES UNAVAILABLE, NEGLIGIBLE, OR ZERO

HORTICULTURAL AND TROPICAL PRODUCTS DIVISION
COMMODITY PROGRAMS, FAS, USDA

DECEMBER 1982

TABLE 4

U.S. IMPORTS OF COFFEE BY TYPES AND COFFEE YEARS (OCTOBER/SEPTEMBER) 1980/81 AND 1981/82
(In 60 Kilogram Bags, Green Bean Equivalent)

	1980/81				1981/82			
	Green	Roasted/ Ground	Soluble	Total	Green	Roasted/ Ground	Soluble	Total
COLOMBIAN MILDS								
Colombia.....	1,965,702	4,626	19,177	1,989,505	1,674,994	5,024	17,025	1,697,043
Kenya.....	142,304	2	---	142,306	175,756	1	---	175,757
Tanzania.....	33,752	---	---	32,752	49,729	---	---	49,729
Total.....	2,141,758	4,628	19,177	2,165,563	1,900,519	5,025	17,025	1,922,569
OTHER MILDS								
Burundi.....	157,344	---	---	157,344	288,974	---	---	288,974
Costa Rica.....	248,566	23	---	248,589	268,083	14,855	1,228	284,166
Dominican Republic.....	425,676	99,098	---	524,774	486,493	64,982	---	551,475
Ecuador.....	719,147	259	87,488	806,894	757,421	1,671	106,171	865,263
El Salvador.....	965,439	2,144	14,984	982,567	528,002	440	13,914	942,356
Guatemala.....	739,839	393	11,772	752,004	753,670	2,732	765	757,167
Guyana.....	2,396	---	---	2,396	6,403	---	---	6,403
Haiti.....	37,848	90	---	37,938	72,924	---	---	72,924
Honduras.....	304,051	---	---	304,051	265,697	---	1,171	266,868
India.....	420,975	184	1,240	422,399	324,339	---	---	324,339
Jamaica.....	347	306	---	653	464	469	---	933
Malawi.....	---	---	---	---	250	---	---	250
Mexico.....	1,251,926	80,324	34,146	1,366,396	1,389,951	71,503	391	1,462,245
Nicaragua.....	125,115	---	36,434	161,549	29,799	1,125	25,809	56,733
Panama.....	41,916	---	---	41,916	53,042	---	---	53,042
Papua New Guinea.....	51,375	362	---	51,737	32,300	---	---	32,300
Peru.....	605,997	13	1,300	611,310	512,010	---	2,740	514,750
Rwanda.....	278,736	---	---	278,736	158,388	---	---	158,388
Venezuela.....	25,173	29	---	25,202	18,353	---	---	18,353
Yemen Arab Republic.....	669	---	---	669	---	---	---	---
Zimbabwe.....	8,248	---	---	8,248	18,000	---	---	18,000
Total.....	6,414,783	183,225	187,364	6,785,372	6,364,563	158,177	152,189	6,674,929
UNWASHED ARABICAS								
Bolivia.....	14,515	---	---	14,515	36,032	417	---	36,449
Brazil.....	3,361,649	14,896	974,888	4,351,433	3,304,511	2,685	925,084	4,232,280
Ethiopia.....	503,753	1	---	503,754	578,710	---	---	578,710
Paraguay.....	138,265	---	---	138,265	82,712	---	---	82,712
Total.....	4,018,182	14,897	974,888	5,007,967	4,001,965	3,102	925,084	4,930,151
ROBUSTAS								
Angola.....	21,099	---	---	21,099	16,500	---	---	16,500
Benin.....	---	---	---	---	11,675	---	---	11,675
Cameroon.....	258,584	---	---	258,584	220,910	---	---	220,910
Ghana.....	1,697	---	---	1,697	---	---	---	---
Guinea.....	17,665	---	---	17,665	10,483	---	---	10,483
Indonesia.....	1,312,570	502	---	1,313,072	1,288,742	143	---	1,288,885
Ivory Coast.....	560,304	---	---	560,304	925,961	---	---	925,961
Liberia.....	39,931	---	---	39,931	33,062	---	---	33,062
Madagascar.....	265,677	---	---	265,677	126,305	---	---	126,305
Malaysia.....	38,215	---	---	38,215	23,296	---	---	23,296
Nigeria.....	---	---	---	---	---	---	---	---
Philippines.....	259,607	1,663	---	261,270	272,072	609	---	272,681
Sierra Leone.....	36,422	---	---	36,422	80,275	---	---	80,275
Sri Lanka.....	750	---	---	750	21,242	---	---	21,242
Thailand.....	23,782	18	---	23,800	86,124	58	20	86,202
Togo.....	---	---	---	---	78,344	---	---	78,344
Trinidad & Tobago.....	1,600	---	---	1,600	13,299	---	---	13,299
Uganda.....	559,214	---	---	559,214	1,122,941	---	---	1,122,941
Zaire.....	261,651	---	---	261,651	87,518	---	398	87,916
Total.....	3,659,168	2,183	---	3,661,351	4,418,749	810	418	4,419,977
OTHER COUNTRIES 1/.....								
	214,568	24,658	97,520	336,746	366,832	44,956	86,308	498,096
WORLD TOTAL.....	16,448,459	229,591	1,278,949	17,956,999	17,052,628	212,070	1,181,024	18,445,722

1/ Mainly non producing countries in Western Europe.

SOURCE: USDA

JANUARY 1983

Horticultural and Tropical Products Division, FAS/USDA

TABLE 5

COFFEE YEAR 1982/83

INITIAL ANNUAL AND QUARTERLY QUOTAS OF EXPORTING MEMBERS

(60 kilo bags)

Exporting Member	Share of initial annual quota (percent)	Initial annual quota	Quarterly quotas			
			Oct.-Dec. 1982	Jan.-March 1983	April-June 1983	July-Sept. 1983
	(1)	(2)	(3)	(4)	(5)	(6)
TOTAL		56 000 000	14 024 998	13 991 672	13 991 665	13 991 665
A. Sub-total: Members entitled to a basic quota	100.00	52 785 440	13 221 358	13 188 032	13 188 025	13 188 025
Colombian Milsa	20.12	10 425 267	2 606 316	2 606 318	2 606 316	2 606 317
Colombia	16.28	8 435 554	2 108 888	2 108 889	2 108 888	2 108 889
Kenya	2.48	1 285 023	321 256	321 256	321 256	321 255
Tanzania	1.36	704 690	176 172	176 173	176 172	176 173
Other Milsa	23.36	12 104 087	3 026 021	3 026 024	3 026 021	3 026 021
Costa Rica	2.16	1 119 213	279 803	279 803	279 803	279 804
Dominican Republic	0.95	492 247	123 062	123 062	123 062	123 061
Ecuador	2.17	1 124 395	281 099	281 099	281 099	281 098
El Salvador	4.48	2 321 332	580 333	580 333	580 333	580 333
Guatemala	3.47	1 797 996	449 499	449 499	449 499	449 499
Honduras	1.49	772 050	193 012	193 013	193 012	193 013
India	1.24	642 511	160 628	160 628	160 628	160 627
Mexico	3.65	1 891 264	472 816	472 816	472 816	472 816
Nicaragua	1.28	663 238	165 809	165 810	165 809	165 810
Papua New Guinea	1.16	601 059	150 265	150 265	150 265	150 264
Peru	1.31	678 782	169 695	169 696	169 695	169 696
Unwashed Arabicas	33.45	17 332 264	4 333 066	4 333 066	4 333 066	4 333 066
Brazil	30.83	15 974 700	3 993 675	3 993 675	3 993 675	3 993 675
Ethiopia	2.62	1 357 564	339 391	339 391	339 391	339 391
Robustas	23.07	12 923 822	3 255 955	3 222 624	3 222 622	3 222 621
Angola		500 000	150 000	116 667	116 667	116 666
Indonesia	4.55	2 357 602	589 400	589 401	589 400	589 401
OAMCAF 1/	11.96	6 197 127	1 549 282	1 549 282	1 549 282	1 549 281
Philippines		470 000	117 500	117 500	117 500	117 500
Uganda	4.44	2 300 606	575 151	575 152	575 151	575 152
Zaire	2.12	1 098 487	274 622	274 622	274 622	274 621
B. Sub-total: Members exempt from basic quotas		3 214 560	803 640	803 640	803 640	803 640

1/ Excludes Members of OAMCAF exempt from basic quotas; the annual quota of all Members of OAMCAF is 6 888 927 bags

TABLE 6

COFFEE YEAR 1982/83

INITIAL ANNUAL AND QUARTERLY QUOTAS OF EXPORTING MEMBERS

(60 kilo bags)

Exporting Member	Initial annual quota	Quarterly quotas			
		Oct.-Dec. 1982	Jan.-March 1983	April-June 1983	July-Sept. 1983
TOTAL	3 214 560	803 639	803 640	803 639	803 642
<u>Sub-total: Members exporting less than 100 000 bags 1/</u> (without OAMCAF)	<u>476 260</u>	<u>119 064</u>	<u>119 065</u>	<u>119 064</u>	<u>119 067</u>
Ghana	50 516				
Jamaica	17 388				
Malawi	23 333				
Nigeria	73 333				
Panama	65 600				
Sri Lanka	54 000				
Trinidad and Tobago	34 090				
Venezuela	80 000				
Zimbabwe	78 000				
<u>Sub-total: Members exporting more than 100 000 bags</u> (without OAMCAF)	<u>2 046 500</u>	<u>511 625</u>	<u>511 625</u>	<u>511 625</u>	<u>511 625</u>
Bolivia	109 500	27 375	27 375	27 375	27 375
Burundi	430 000	107 500	107 500	107 500	107 500
Guinea	100 000	25 000	25 000	25 000	25 000
Haiti	400 000	100 000	100 000	100 000	100 000
Liberia	130 000	32 500	32 500	32 500	32 500
Paraguay	108 500	27 125	27 125	27 125	27 125
Rwanda	430 000	107 500	107 500	107 500	107 500
Sierra Leone	234 000	58 500	58 500	58 500	58 500
Thailand	104 500	26 125	26 125	26 125	26 125
OAMCAF					
(a) <u>Members exporting less than 100 000 bags 1/</u>	<u>132 800</u>	<u>33 200</u>	<u>33 200</u>	<u>33 200</u>	<u>33 200</u>
Benin	52 800				
Congo	40 000				
Gabon	40 000				
(b) <u>Members exporting more than 100 000 bags</u>	<u>559 000</u>	<u>139 750</u>	<u>139 750</u>	<u>139 750</u>	<u>139 750</u>
Central African Republic	266 500	66 625	66 625	66 625	66 625
Togo	292 500	73 125	73 125	73 125	73 125

1/ Members not subject to quarterly quotas. Estimated distribution

TABLE 7
1983 ICO COMPOSITE INDICATOR PRICE (1979 AGREEMENT)
(U.S. CENTS PER POUND EQUIVALENT)

Date		15-Day Moving Average												
July	Aug.	Sept.	Oct.	Nov.	Dec.	Day	July	Aug.	Sept.	Oct.	Nov.	Dec.		
1.....	120.89	---	118.50	129.98	127.93	132.75	1.....	120.54	---	118.30	124.72	128.72	131.51	
2.....	119.74	114.70	118.26	---	---	131.62	2.....	120.35	115.07	118.54	---	---	131.76	
3.....	---	114.99	118.50	---	120.89	130.87	3.....	---	115.06	118.70	---	128.58	131.92	
4.....	---	115.39	---	129.15	126.99	---	4.....	---	114.98	---	125.23	128.49	---	
5.....	---	116.57	---	128.03	127.04	---	5.....	---	115.05	---	125.63	128.32	---	
6.....	118.28	116.61	---	128.46	---	132.26	6.....	120.19	115.10	---	126.06	---	132.11	
7.....	117.41	---	120.83	128.77	---	133.42	7.....	119.99	---	119.00	126.49	---	132.30	
8.....	116.07	---	120.09	128.50	127.04	132.39	8.....	119.70	---	119.15	126.84	128.23	132.43	
9.....	115.55	116.35	120.83	---	127.53	131.44	9.....	119.37	115.12	119.27	---	128.15	132.50	
10.....	---	115.56	120.63	---	127.94	132.20	10.....	115.09	115.09	119.44	---	128.10	132.60	
11.....	---	116.40	---	127.66	128.41	---	11.....	---	115.18	---	127.15	128.06	---	
12.....	115.08	115.96	---	129.80	129.41	---	12.....	119.01	115.26	---	127.63	128.11	---	
13.....	115.21	116.09	121.42	129.89	---	132.32	13.....	118.68	115.35	119.58	128.02	---	132.66	
14.....	116.48	---	122.02	129.53	---	131.98	14.....	118.47	---	119.72	128.39	---	132.56	
15.....	115.51	---	122.01	128.39	130.66	131.21	15.....	118.17	---	119.87	128.65	128.21	132.41	
16.....	115.92	116.43	122.37	---	130.40	130.29	16.....	117.85	115.47	120.11	---	128.36	132.20	
17.....	---	117.78	123.22	---	130.32	130.17	17.....	---	115.79	120.38	---	128.47	131.95	
18.....	---	119.03	---	128.72	130.73	---	18.....	---	116.10	---	128.72	128.58	---	
19.....	116.11	118.18	---	128.70	131.50	---	19.....	117.60	116.34	---	128.83	128.77	---	
20.....	116.00	119.19	123.00	128.97	---	130.54	20.....	117.34	116.62	120.66	128.92	---	131.74	
21.....	115.01	---	122.62	128.64	---	131.10	21.....	116.97	---	120.92	128.88	---	131.64	
22.....	114.82	---	124.03	129.17	133.35	---	22.....	116.54	---	121.22	128.83	129.08	---	
23.....	114.72	120.00	124.06	---	133.59	---	23.....	116.13	116.97	121.59	---	129.45	---	
24.....	---	119.71	124.46	---	133.43	---	24.....	---	117.28	122.46	---	129.89	---	
25.....	---	118.82	---	128.22	---	---	25.....	---	117.51	---	128.76	---	---	
26.....	114.61	119.19	---	128.70	133.89	---	26.....	115.79	117.69	---	128.81	130.35	---	
27.....	113.02	118.69	127.70	129.04	---	---	27.....	115.43	117.83	122.62	128.85	---	---	
28.....	114.35	---	126.95	128.59	---	---	28.....	115.23	---	123.03	128.83	---	---	
29.....	114.57	---	127.60	128.81	133.73	---	29.....	115.13	---	123.53	128.86	130.80	---	
30.....	115.04	118.83	129.31	---	132.58	---	30.....	117.99	---	124.09	---	131.16	---	
31.....	---	119.46	---	---	---	---	31.....	118.25	---	---	---	---	---	
Ave....	115.92	117.45	122.78	128.84	130.17	---	Ave....	117.79	116.14	120.58	127.77	128.91	---	

NOTE: Dashes denote weekends and holidays.

January 1983

Horticultural and Tropical Products Division, FAS/USDA

FIGURE 1

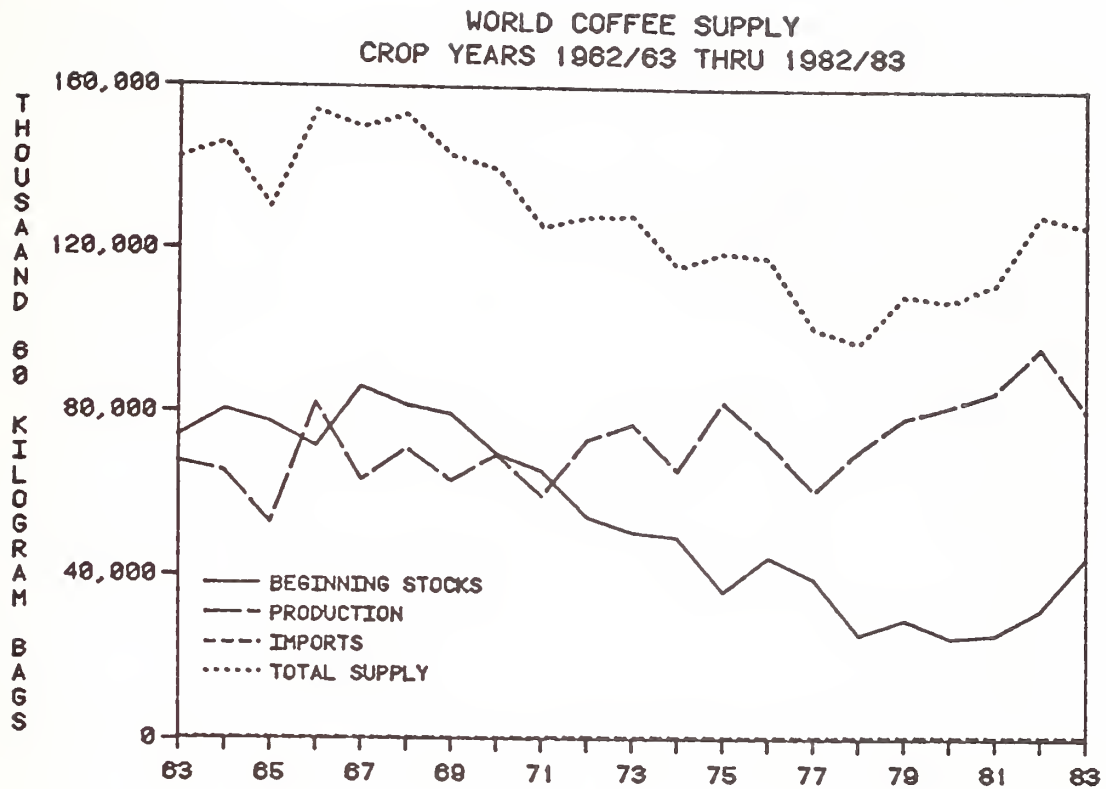


FIGURE 2

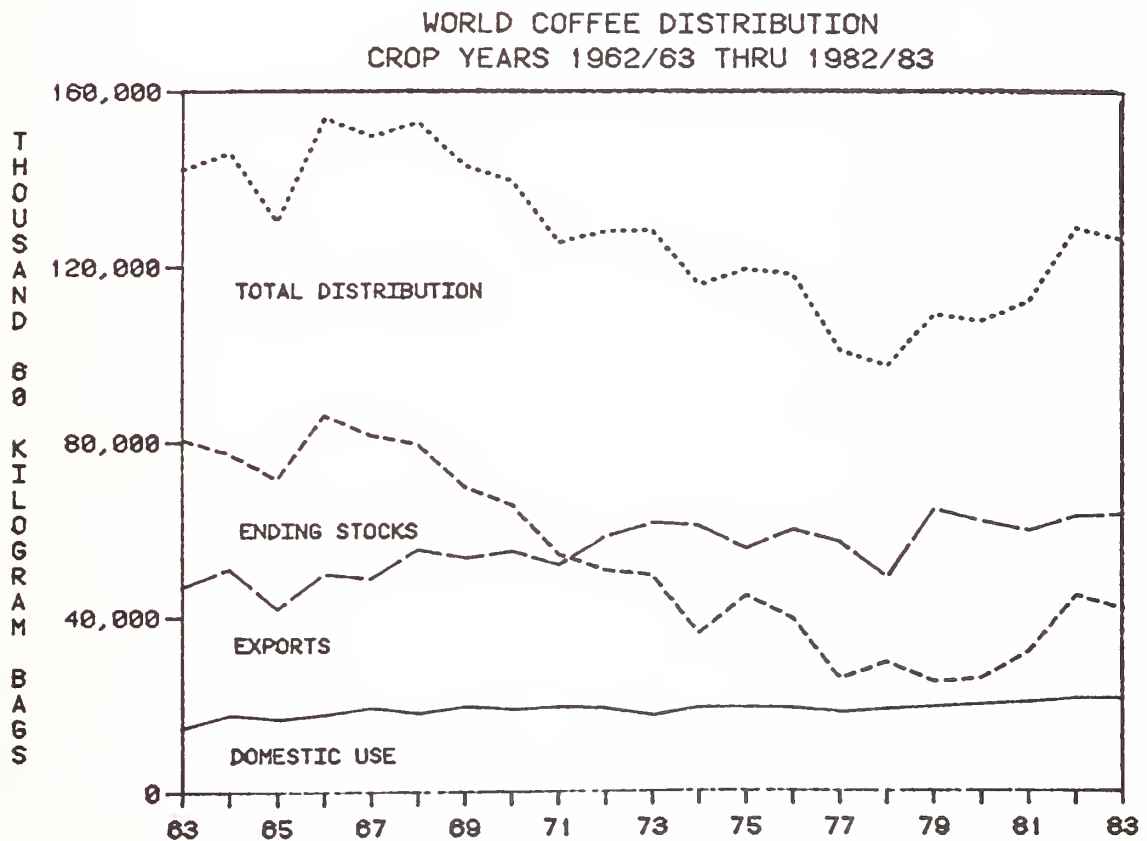


FIGURE 3

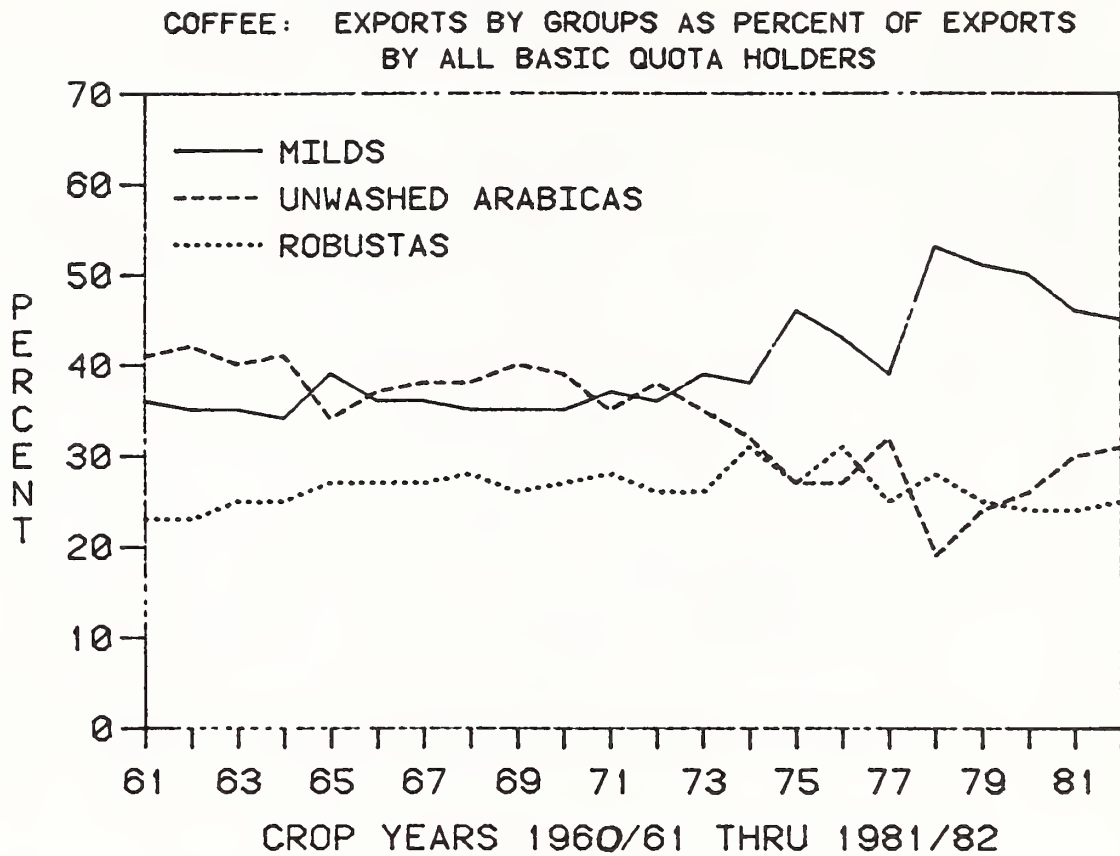


FIGURE 4

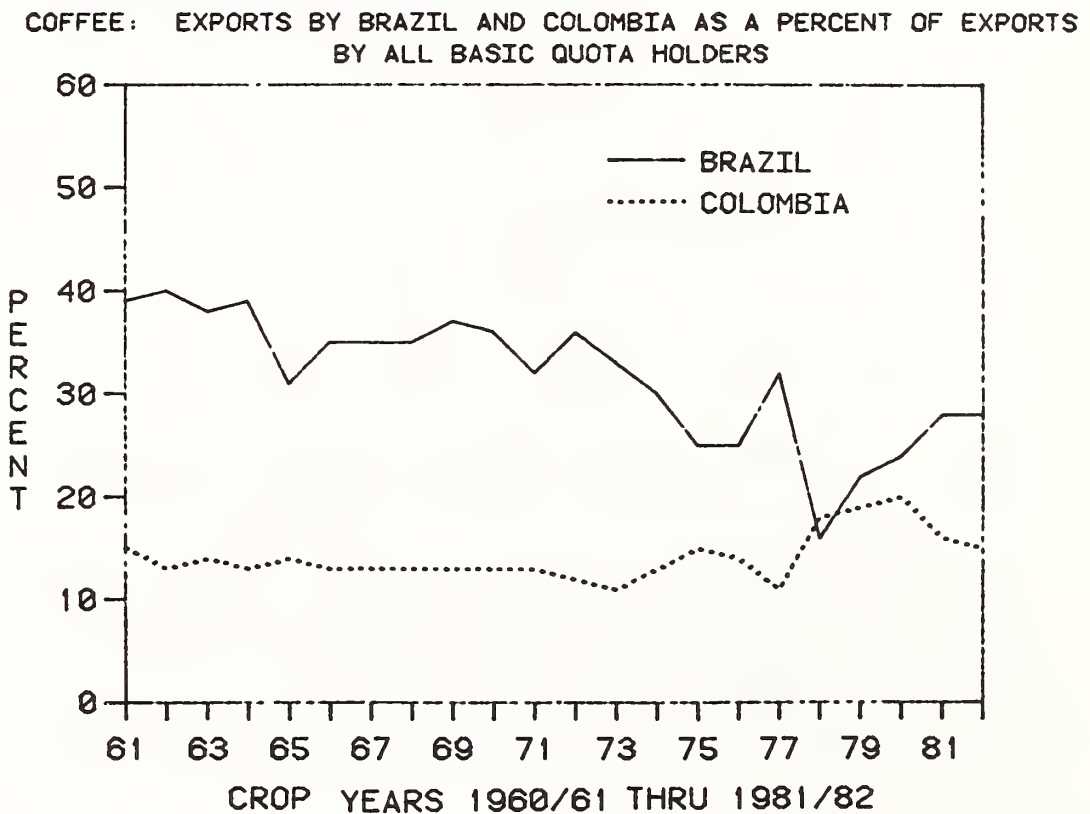
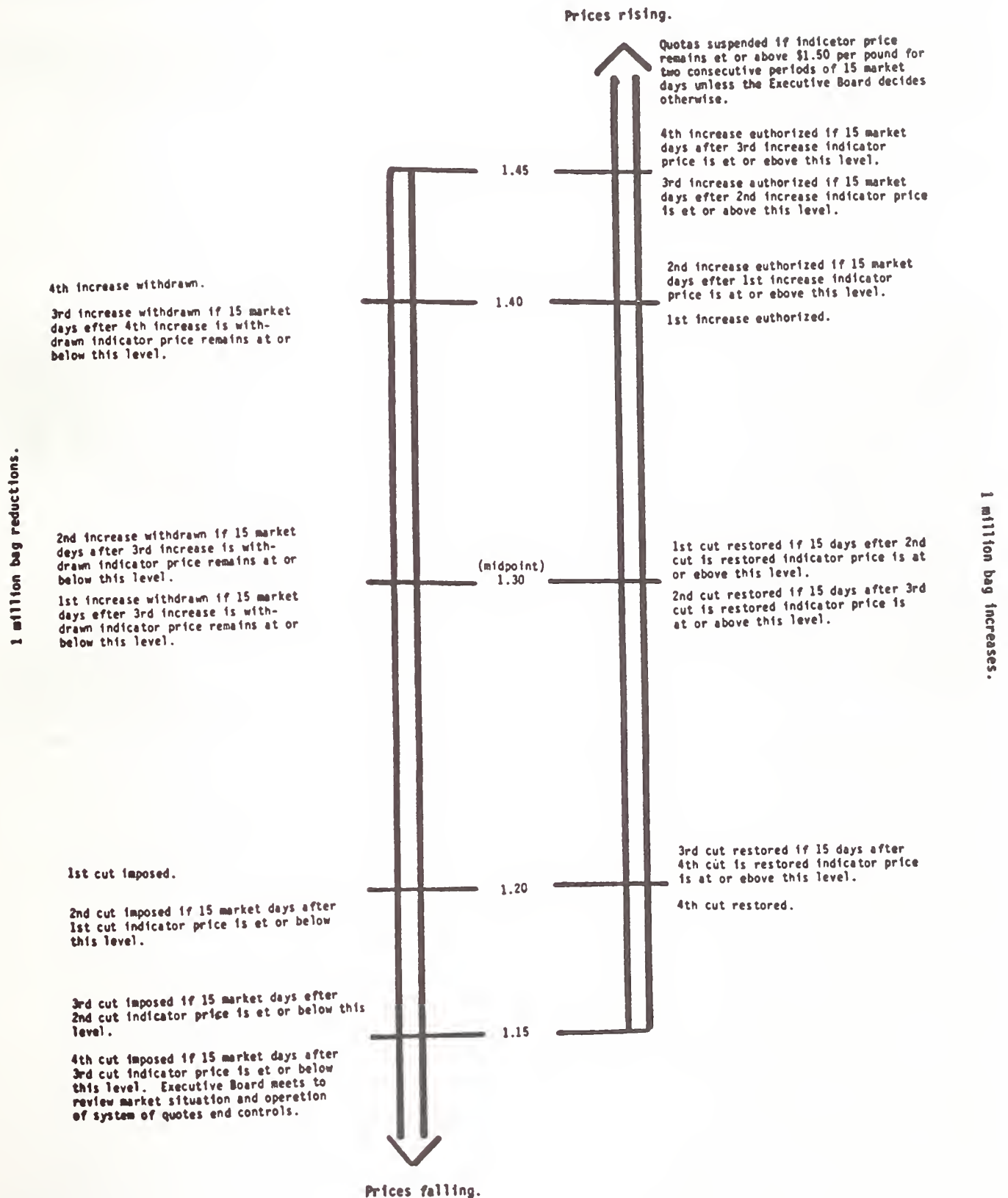


Chart 1

INTERNATIONAL COFFEE AGREEMENT PRICE STABILIZATION MECHANISM
15 DAY MOVING AVERAGE INDICATOR PRICE
COFFEE YEAR 82/83
(U.S. DOLLARS PER POUND)



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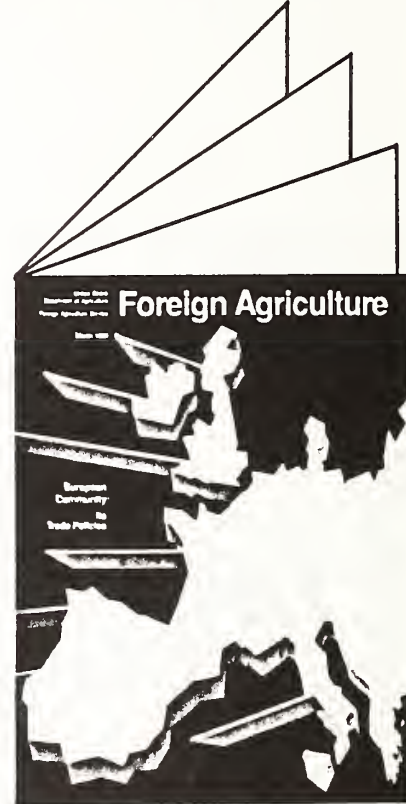
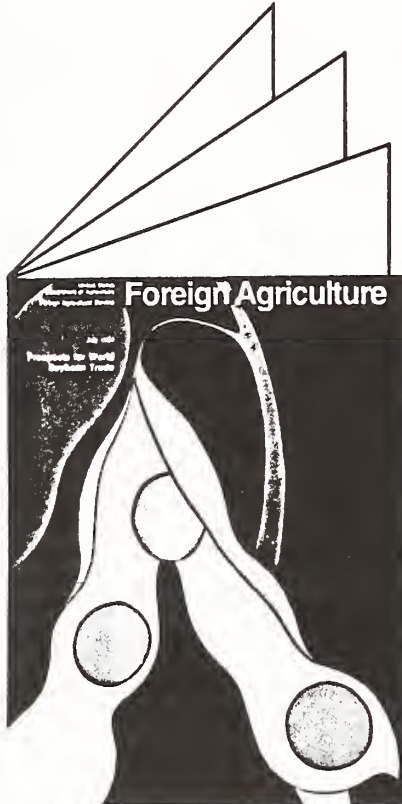
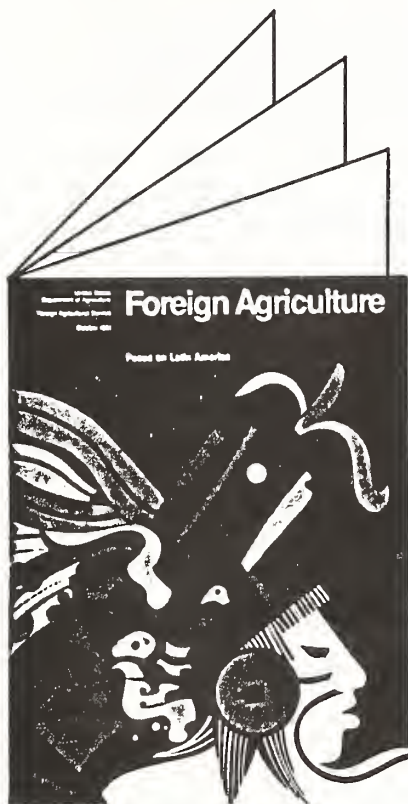
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